



## North Carolina Department of Health and Human Services

Pat McCrory  
Governor

Richard O. Brajer  
Secretary

December 16, 2016

Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid  
Centers for Medicare and Medical services  
Region IV  
Atlanta Federal Center  
61 Forsyth Street, SW Suite 4T20  
Atlanta, GA 30303-8909

SUBJECT: State Plan Amendment  
Title XIX, Social Security Act  
Transmittal #2016-009

Dear Ms. Glaze:

Please find the attached amendment for North Carolina's State Plan under Title XIX of the Social Security Act for the Medical Assistance Program. The affected pages are Attachment 4.19-D, Page 7c and Attachment 4.19-D, Supplement 1, Page 2.

This state plan amendment implements Session Law 2015 – 241, Section 12H.18, which requires that rates for Geropsychiatric Services remain the same as those in effect June 30, 2015.

This amendment is effective December 1, 2016.

Your approval of this state plan amendment is requested. If you have any questions or concerns, please contact Teresa Smith or me at 919-855-4116.

Sincerely,

A handwritten signature in black ink, appearing to read "Rich O. Brajer" followed by a stylized flourish.

Richard O. Brajer  
Secretary

ROB:ts

[www.ncdhhs.gov](http://www.ncdhhs.gov)

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State Plan Under Title XIX of the Social Security Act  
Medical Assistance Program  
State: North Carolina

Payment for Services — Prospective Reimbursement Plan for Nursing Care Facilities

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- (C) Cost reports for this service shall be filed in accordance with Section .0104 but there shall not be cost settlements for any difference between cost and payments. The cost data provided by these cost reports shall be used to determine reasonable Medicaid cost for the delivery of this service. Providers of this service are required to annually file a cost report with the Division. Any Provider delinquent 30 days from the required filing date shall be subject to a 20% withhold of Medicaid payments. The payment withhold shall continue until a completed cost report is received by the Division. Once the Provider is compliant, all withheld payments shall be returned to the Provider.
- (D) A single all-inclusive prospective per diem rate combining both the direct and indirect cost components can be negotiated for nursing facilities that specialize in providing intensive services for geropsychiatric patients. The negotiated rate is based on the most recent filed annual cost report as required by Section .0104. It is considered to provide payment for all financial considerations and shall not include the fair rental value adjustment as defined in Section .0102. The negotiated rate will be paid to the facility for services provided to geropsychiatric patients only.
- (E) Geropsychiatric unit rates are determined by applying the index factor to the current rate. The index factor shall be based on the Skilled Nursing Facility Market Basket without Capital Index published by Global Insight using the most current quarterly publication available. If necessary, the Division of Medical Assistance shall adjust the annual index factor or rates in order to prevent payment rates from exceeding upper payment limits established by Federal Regulations.
- (F) Either the geropsychiatric provider or the Division of Medical Assistance may initiate a written request to appeal or renegotiate the rate within sixty (60) days of the date of the Division of Medical Assistance's rate notification.

State Plan Under Title XIX of the Social Security Act  
Medical Assistance Program  
State: North Carolina

Payment for Services – Prospective Reimbursement Plan for Nursing Care Facilities

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TN. No. 16-009  
Supersedes  
TN. No. 13-032

Approval Date: \_\_\_\_\_

Eff. Date: 12/01/2016